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Bao Dai's Debt to Mao

The accords transferring limited sovereignty in Indo-China from France to the Vietnam government headed by ex-Emperor Bao Dai, which were ratified by the French National Assembly on January 29 by a vote of 401 to 193, bear only a superficial resemblance to the Netherlands' transfer of sovereignty to the United States of Indonesia at The Hague a month earlier. These accords mark no real change in France's policy, formulated late in 1947, of not reopening negotiations with Ho Chi Minh, president of the Vietnam Republic, and the decision reached in 1949 to grant Bao Dai the form rather than the substance of power.* This recent and belated attempt to strengthen Bao Dai's hand is not likely to dispel the widespread Vietnamese belief that he is a French puppet and hence unacceptable even to the moderate nationalists who agree with the extremists in demanding Vietnam's genuine independence and unity. The potential significance of the transfer lies not in the local scene but in the changed East Asian situation and Vietnam's relations with Communist China.

Bao Dai's Limitations

Neither the French nor, probably, Bao Dai himself have ever counted heavily on the possibility that he could rally substantial support. To French officials, Bao Dai has always seemed an unsatisfactory "better-than-nothing" choice—the only possible Vietnamese alternative to Ho since the death of another former emperor,

Duy Tan, a few years ago. Last April, when Bao Dai returned to Indochina, he seemed to have gained the fitful support of those Vietnamese groups or individuals who, either for personal or ideological reasons, fear or are disgruntled with the Communist-dominated Vietminh League which is the core of Ho's government. Since then even some of the moderate nationalists who at first supported Bao Dai have refused to serve in his cabinet. The failure of Bao Dai to eliminate completely French control of his government's foreign relations, armed forces, currency and even internal judicial administration is the main stumbling block. Moreover, such limited concessions as the French have made to his government—the conduct of diplomatic relations with neighboring states and the Vatican, control of local administration, education, police and courts handling disputes between Vietnamese—are scarcely adequate to win the support of wavering nationalists.

Nevertheless, the Communist victory in China has improved Bao Dai's chances of success by thrusting Indo-China to the fore in the struggle between the two rival world blocs and by creating conditions for a potential split in the united front heretofore maintained by Ho's government. Neither Britain nor the United States is satisfied with the Bao Dai set-up, but they are far less inclined to accept a government whose leaders, notably President Ho and Generalissimo Vo Nguyen Giap, Defense Minister, have long-standing personal ties and ideological sympathies with international communism. Similarly, in adjacent Thailand, both Western powers

have played along with Marshal Pibul Songgram despite the fact that he is a military dictator who, as a war-time collaborator with Japan, declared war on the Allies.

The all-important determinant of Anglo-American policy in Southeast Asia has become the degree to which China's southern neighbors appear likely to resist the Communist tide. The expectation that the support which Britain and the United States are now covertly giving the Bao Dai regime will become overt appears to have eliminated the possibility, briefly aired last summer that Bao Dai might serve as intermediary between the Paris government and the Vietnam Republic. So far, Bao Dai's government has been internationally recognized only to the extent of having been accorded an associate membership in the United Nations Economic Commission for Asia and the Far East (ECAFE). The decision to support Bao Dai's government reached by the British Commonwealth Ministers—with the notable exception of India—at their Colombo conference early in January 1950 is an important straw in the wind. On January 29 American Ambassador-at-Large Philip C. Jessup, on his way from Saigon to Jakarta, issued in Singapore the text of a message to Bao Dai in which Secretary of State Dean Acheson expressed "the gratification" of the United States on the Emperor's "assumption of the powers transferred by the French Republic . . . and its confident best wishes for the future of the state of Vietnam, with which it looks forward to establishing closer relationship."

*See *Foreign Policy Bulletin*, April 1, 1949.

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Western Aid for Bao Dai?

Even more significant than the material effect of the flow of arms and money to Bao Dai which would follow "recognition" by the West (it is not clear how a government whose foreign policy will be directed by France can be recognized) is the impact that it would have on Vietnamese nationalist opinion which, up to now, appears to back the Ho regime solidly. A psychological factor of no small importance in Vietnam is the traditional belief that material success is a sign of Heaven's blessing. Moreover, it is possible to discern, through the barrage of French and Vietminh propaganda, indications of a split in the Republic between the extreme Marxists and the less radical nationalists over the issue, not of supporting Bao Dai, but of casting in their lot with Communist China. A strong element in this cleavage is the hostility felt by the Vietnamese toward the Chinese in Indo-China as a firmly entrenched and economically aggressive minority—a sentiment that was strengthened by the rapacity of China's army of occupation in northern Indo-China during 1945-46. A lesser factor

is the opposition of many—probably most—of Ho's supporters to the ideology of communism.

Ho, well aware of these sentiments, has deliberately pursued a middle-of-the-road policy grounded on the overriding Vietnamese aspiration for independence and unity. No sweeping economic reforms along Marxist lines have been initiated in the areas under his control. In November 1945 he dissolved the Indo-Chinese Communist party and thereafter carefully maintained the coalition nature of his administration. And he has always averred that he has no alliance with any foreign Communist regime. Unlike the Indonesian Republic, which from the outset courted international support, the Republic of Vietnam has relied on internal unity and on an increasingly effective national army.

Until 1949, Ho and the French were in accord at least on the desirability of settling the future status of Indo-China directly between themselves. Now the French—although still doubtful about American intentions as to Indo-China—are seeking international support, and Ho appears to be encountering opposition

among some of his extremist followers who would like to place the Republic in the Soviet orbit. Ho's personal popularity among the Vietnamese, however, is so great that he seems indispensable to the Republic's survival, and so long as he remains the effective head of its government he will probably form no open alliance with Communist China.

What Mao Tse-tung and Stalin are deciding now in Moscow may well take the initiative out of the hands both of the French and of Ho. Against the will of the two main protagonists, Indo-China is being forced onto the international stage. This may soon lead to a showdown wherein the prize of internal support will go to that Vietnamese government which appears to be most nationalistic. Ironically enough, it is the Communists' victory in China that is basically responsible for the fighting chance that Bao Dai now appears to have.

VIRGINIA THOMPSON

(Virginia Thompson, author of French Indo-China, published in 1937, made a study tour of Southeast Asia, including Indo-China, in 1946-47 under the auspices of the American Institute of Pacific Relations and the Southeast Asia Institute.)

British Campaign Soft-Pedals Basic Problems

While the British Labor and Conservative parties differ sharply on the nationalization of industry, they agree on the desirability of maintaining a welfare state whose citizens are guaranteed certain minimums in income, medical care, food and security in employment. Consequently the current battle for the voters' mandate in the general election of February 23 is raging over which party is to have the honor of forming a government to guard these minimums. Both parties, however, are tempering their promises to the electorate because of their awareness that Britain's economic road is apt to be a difficult one, with many a jolt in prospect for the next administration.

Politics vs. Economics

Prime Minister Clement Attlee, as is his right, chose for the period of electioneering a lull in Britain's recurring economic crisis. Devaluation of the pound last September has resulted in an improvement of the sterling area's reserve position; it has not yet brought about a substantial rise in the cost of living; the next government budget, due in April, is still ahead; and no one yet knows whether the Chancellor of the Exchequer, whoever

he is at that time, will be forced to prescribe sustained heavy taxation and/or a cut in the social services.

Both parties are taking advantage of this lull. Labor is stressing the full employment it has maintained, the houses it has built (about a million dwellings have become available since the end of the war) and such things as the recent increase in the bacon and candy ration. Although Winston Churchill warned on January 28 of the hard day of reckoning that faces the "spendthrift" when "he has used up everything he can lay his hands on," this lull also helps the Conservatives. They have hinted strongly that they will reduce taxes, that they will balance a reduction in the food subsidies by larger pensions and family allowances and that they also are capable of sustaining full employment. Realists in both parties know that both full employment and Britain's present standard of living, no matter how distributed, may again be in jeopardy before the end of 1950, especially if Marshall Plan aid is drastically curtailed.

Another note of unrealism in the campaign is the tendency of both parties to blame Britain's woes on the factors which are most favorable to their own political

fortunes. Thus the Labor party points to the external circumstances—the disruption of world trade and the rise of import prices in relation to sterling area export prices—which have contributed to the British crisis. At the same time it takes credit for the substantial measure of recovery—the 50 per cent increase in exports and the 30 per cent increase in industrial production over pre-war figures—which have been achieved during the last four and a half years. The Conservatives, on the other hand, tend to ignore the external factors and charge that the government has squandered American assistance, leaving nothing to show for it.

But this debate touches the electorate less than might be expected. As the campaign accelerates from a slow start, both of the contestants are hammering away at issues relating to the material comforts of British life. The decision of the West German state to abolish food rationing, for instance, has provoked sharp controversy. To see a defeated, and even demolished, Germany take such a step is a galling blow to some sections of the British community. Rationing as such, however, is not unpopular in Britain. It is widely recognized as a means of distrib-

uting what Labor calls "fair shares for all," and both parties are agreed that only a substantial increase in food supplies can justify lifting of the ration system.

Britain vs. the Continent

Comparison of Britain's lot with that of other European countries is a weapon that cuts both ways. Mr. Churchill on January 21, in his first speech after the date of the election had been announced, scored the Labor government for glorifying "controls for control's sake" and contended that full employment had been maintained only because "all the world is at work" making up for the war's devastation. Labor's prompt answer, given by Attorney General Sir Hartley Shawcross the next day, was a reference to Mr. Churchill's record as Chancellor of the Exchequer after World War I, when unemployment was a grave problem. And Sir Hartley also charged that unemployment had reached serious post-war proportions in countries like Italy, Belgium and France which had abandoned economic

planning. Recent figures showing almost 2 million unemployed in Western Germany will undoubtedly strengthen Labor's case—a case that makes a telling mark with a wide sector of the electorate. In this respect both parties again admit the desirability of full employment, and neither faces the issue raised by some sober critics that Britain has yet to meet the test of making full employment effective in relation to the nation's balance-of-payments problem. With a shortage of workers rather than a shortage of jobs, Whitehall's economic planners have encountered difficulties in getting labor to move toward the most essential industries—the coal mines and the export trades, for instance. As a result, one school of thought has come to favor a little more unemployment than now exists in the British economy, while another seeks more vigorous government efforts to create a wage policy which would draw workers to the places of greatest need. Critics such as these find their questions largely unanswered by both parties. Some may turn to the Conserva-

tives, hoping that a change of government will accelerate Britain's recovery, but others still "don't trust the Tories" because of the depressed economic conditions that prevailed in many parts of Britain during the inter-war years.

For these voters, as well as those who show discontent on other grounds, the position of the Liberal party has many attractions. The Liberals, with a great nineteenth century tradition, stand between Labor and Conservative as a critical "third force." The trouble is that it is also a spent force with no chance of forming a government and little chance of increasing its present representation of ten M.P.'s in the House of Commons. The Briton who wants to make his vote count must choose between the existing government and a Conservative party which would dignify the welfare state with an old-school tie.

WILLIAM W. WADE

(The second of three articles on prospects for the British general election.)

What Are Prospects for Democracy in Germany?

Almost five years have passed since the Third Reich collapsed, but it is still difficult for many Americans to approach the German problem unemotionally. Memories of the monstrous crimes committed by the Nazi leaders, naturally, are lingering on, and Americans hesitate to believe that there are many Germans who earnestly strive for the ideals of democracy and international peace. Yet a visitor to Germany familiar with the country's pre-war conditions finds a nucleus of politicians, editors, civil servants, clergymen and scholars who deserve encouragement from the Western democracies. This does not mean that all the aims of even these well-intentioned people would be supported in the United States, and some of their utterances reflect that insularity of thinking which has been a curse of Germany in the twentieth century.

Different Political Practices

The reintegration of the West German state, at least, into the Atlantic family of nations will be facilitated if Americans can free themselves of some erroneous basic assumptions. The German version of democracy will probably never be identical with that of the United States. There are inevitable differences between American constitutional concepts and those of

Weimar in 1919 and Bonn in 1949. It is dangerous for us to apply our standards to the budding political life of the new Federal Republic. For instance, Germany has never known the two-party system; except during the Hitler era, there has been always some form of coalition between two or more parties representing different political, social and religious groups and stressing different outlooks on life. Such a coalition is now running the affairs of Western Germany. This coalition cannot be described as "rightist" merely because the left-wing parties—the Social Democrats and the handful of Communists—are in opposition. Actually the government consists chiefly of two middle-of-the-road parties, the Christian Democrats and the Free Democrats.

The visitor who compares the present political scene with that of pre-Hitler days is struck by the change that has recently occurred in the Social Democratic party (S.P.D.), once the backbone of the Weimar Republic. While it still basically represents the working class and some allied white collar groups, it has altered its outlook since it came under the leadership of Dr. Kurt Schumacher, the most strong-willed and dynamic figure in the party. As one who suffered all the horrors of Nazi concentration camps, he commands

respect. Yet the sway he exercises over his followers has had—unfortunate effects on German political life, and his violent nationalism must cause concern to the Allied High Commissioners. The Social Democratic Party had lost so much younger talent in the days of Nazi persecution—men like Leber, Leuschner and Mierendorff, who died as martyrs—that it now lacks a match for Schumacher's fiery oratory. Of the party's elder statesmen, only Paul Loebe, former president of the Reichstag, is still active; the former Reichsminister, William F. Sollmann, is now an American citizen. The best hopes of the younger generation are Minister Carlo Schmid of Süd-Württemberg, and Mayor Ernst Reuter of Berlin, but neither of them could challenge Schumacher's iron grip on the party organization. It is hard to visualize the S.P.D. emerging from its current policy of opposition and taking over the reins of government.

Complex Character of C.D.U.

Today, the two middle parties include some forward-looking elements of Western Germany. It is inaccurate to picture the Christian Democrats, as is frequently done, either as "clerical fascists" or as spineless servants of big business. True, the party has a complex character. Differ-

ing in this respect from the pre-war Center party, it now includes some Protestants among its leaders and its membership, although Catholics hold most key positions. While, in North Rhine-Westphalia, for example, the prominent Christian Democrats are modern-minded, their party friends from Bavaria are much less enlightened; in their ranks are found bigots and reactionaries. Such party leaders as Minister-President Karl Arnold (who serves also as President of the Federal Council) and Minister Karl Spiecker are progressive political thinkers, keenly interested in European cooperation. Chancellor Konrad Adenauer is not only older but also considerably more conservative than these two men and shows authoritarian traits typical of many *Oberbürgermeister* (big city mayors), yet at times he has displayed courage and vision. According to the London *Economist* of November 19, he is "donning the mantle of Gustav Stresemann." But while Stresemann's Locarno policy was under constant ruthless attack from German nationalists like Hugenberg, today it is the Socialist Schumacher who has called Adenauer the "Chancellor of the Allies."

The other major group represented in the Federal government is the Free Democratic party. Roughly speaking, it has the same following as did Stresemann's People's party and the Democratic party of the Weimar Republic; that is, its supporters come chiefly from the Protestant bourgeoisie. Its leader, Federal President Theodor Heuss, is a liberal in the nineteenth century tradition. On many occasions he has indicated that he stands for the finest values of German civilization of pre-Nazi days. The third and smallest partner of the government coalition, the German party, is centered in northwestern Germany; it clearly tends more towards the right than Christian Democrats and Free Democrats do. This party includes both the federalist element of Lower Saxony and some outspoken nationalists.

Some real danger for the present political set-up may come from a few smaller groups which gained a measure of representation in the new Federal Parliament. One is the newly established nationalist German Reich party, whose strongholds are in Hesse and Lower Sax-

ony. Other potentially dangerous elements are located in Bavaria, which once before, in the early days of Hitler, had been a hunting ground for nationalist desperadoes. Neither the Bavarian party of Joseph Baumgartner nor the so-called Reconstruction party of Alfred Loritz deserve anything but distrust on the part of the Allies. However, these three parties together polled hardly more than nine per cent of the vote at the recent elections to the Federal Parliament.

The Adenauer government faces pressure from both Right and Left on two major issues: growing demand for unification of Germany; and the rise in unemployment, which may soon reach the figure of 2 million out of a population of 45 million. American public opinion should remain on watch about Germany, but without yielding to excessive pessimism.

FELIX E. HIRSCH

(Dr. Felix E. Hirsch, professor of history and librarian at Bard College, is a former political editor of the Berliner Tageblatt. During the summer of 1949 he lectured throughout Western Germany at the invitation of the Information Services Division of the American Military Government and of the universities of Göttingen, Heidelberg and Munich.)

Branches and Affiliates

*ELMIRA, February 7, *The Atlantic Union*, Walden Moore

*NEW YORK, February 7, *The Future of American Business in Japan*, William Henry Draper, Jr.

BETHLEHEM, February 9, *Lasting Peace is Up to You*, Pennington Haile

*BUFFALO, February 11, *China, Communism and the Far East*, Robert Aura Smith

*CLEVELAND, February 13, *The Norwegian Position*, C. J. Hambro

BUFFALO, February 16, *What Should U.S. Policy Be in the Far East*, Julius W. Pratt, Carlton F. Scofield, Alexander Janta, Manly Fleischmann

MILWAUKEE, February 16, *The French Attitude Toward the Integration of Germany into Western Europe*, M. J. J. Viala

*MINNEAPOLIS, February 17, 18, 19, *Far East Institute*, A. T. Steele, Livingston T. Merchant, His Excellency U. So Nyun

*Data taken from printed announcement.

News in the Making

U.S. ARMS FOR EUROPE: The signing in Washington on January 27 of bilateral agreements with eight North Atlantic pact nations that had requested military aid—Britain, Belgium, Denmark, France, Italy, Luxembourg, the Netherlands and Norway—opened the way for shipment to these countries of American arms valued at nearly two billion dollars. Britain has indicated that it cannot undertake "any further substantial commitments" for mutual aid among the North Atlantic pact nations without endangering its economic recovery.

EUROPEAN CLEARING UNION?: ECA proposals for a clearing union as another step toward European "integration" have run into obstacles both abroad and in Washington. The Agriculture and Treasury Departments, anxious to maintain markets in Europe for American food products, have insisted on provisions to establish general convertibility of currencies. The British are unwilling to abandon exchange controls which they consider necessary to safeguard the sterling area's limited gold and dollar resources.

"ANTI-ARGENTINE ACTIVITIES": Economic difficulties in Argentina are provoking the classic nationalistic reaction. A Special Congressional Commission, set up last July at the insistence of the democratic opposition to investigate alleged police tortures, has arrogated to itself the task of probing "foreign (i.e. United States) interference" in the 1946 elections which brought Perón to power. Auditors are going over the books of leading wire services and dailies, including *La Prensa* and *La Nación*, and by a recent count some sixty papers, representing a wide range of opinion, have been closed down for failure to toe the government line.

Light on Clearing Union

For background on current Washington contradictions about plans for a European clearing union, READ:

THE UNITED STATES AND WORLD TRADE
by Harold H. Hutcheson

January 1 issue

Foreign Policy Reports—25c.

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